

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

ORDER WR 2009-00XX-DWR

CEASE AND DESIST ORDER

In the Matter of the Threat of an Unauthorized Diversion of Water
Pursuant to a Claim of pre-1914 Appropriative Rights by

**Thomas Hill, Steven Gomes, and
Millview County Water District**

SOURCE: Russian River and Russian River Underflow

COUNTY: Mendocino

The State Water Resources Control Board (State Water Board) is authorized under Water Code section 1831 to issue a Cease and Desist Order (CDO) requiring Thomas Hill, Steven Gomes, and the Millview County Water District (Millview) to cease the threatened unauthorized diversion, collection and use of water in violation of the prohibition set forth in Water Code section 1052 against the unauthorized diversion or use of water.

Messrs. Hill and Gomes and Millview are alleged to have violated or are threatening to violate Water Code section 1831, which states:

The State Water Resources Control Board (State Water Board) is authorized to issue a Cease and Desist Order (CDO) when it determines that any person is violating or threatening to violate any of the following:

- (1) The prohibition set forth in section 1052 against the diversion or use of water subject to division 2 (commencing with section 1000) of the Water Code other than as authorized by division 2.
- (2) Any term or condition of a permit, license, certification, or registration issued under division 2 of the Water Code.
- (3) Any decision or order of the board issued under part 2 (commencing with section 1200) of division 2 of the Water Code, section 275, or article 7 (commencing with section 13550) of chapter 7 of division 7 of the Water Code, in which decision or order the person to whom the cease and desist order will be issued, or a predecessor in interest to that person, was named as a party directly affected by the decision or order.

On **{DATE}**, and in accordance with the provisions of section 1834 of the California Water Code, the State Water Board, Division of Water Rights (Division) provided notice of the CDO against Messrs. Hill and Gomes and Millview for the threatened violation of the prohibition against unauthorized diversion and use of water. Pursuant to State Water Board Resolution 2007-0057, the Deputy Director for Water Rights is authorized to issue a notice of cease and desist, and when a hearing has not been timely requested, issue a CDO in accordance with Water Code section 1831 et seq. State Water Board Resolution 2007-0057 also authorizes redelegation of this authority from the Deputy Director for Water Rights to the Assistant Deputy Director for Water Rights. This authority has been redelegated.

FACTS AND INFORMATION

The facts and information upon which this CDO is based are as follows:

1. J.A. Waldteufel recorded a water right notice on March 24, 1914 initiating the process to obtain a pre-1914 appropriative claim of right to divert water from the West Fork Russian River. According to this notice, Mr. Waldteufel claimed a right to divert 100 miners inches under a 4-inch pressure, or 2 cubic feet per second (cfs), for domestic, culinary, and irrigation purposes on Lot #103 of the Yokayo Rancho (Waldteufel property).
2. The Waldteufel property consisted of about 165 acres circa 1914 located both north and south of what is now Lake Mendocino Drive and on the west side of the West Fork Russian River. Portions of the property have been sold. The portion of the original Waldteufel property located on the south side of Lake Mendocino Drive involved in this action currently includes Mendocino County Assessor Parcel No.169-130-68, consisting of about 5 acres and 125 residential lots with separate parcel numbers within the CreekBridge Home Subdivision, totaling about 28.5 acres.
3. Records available to the Division indicate that between 1914 and 1967, the Waldteufel property was held by eight (8) different parties. The Division did not receive records of diversion and use of water by most of these different property owners to support continuous beneficial use of water under the pre-1914 claim of right. The Division did receive a copy of a sworn statement from a long-time resident of the area, stating that alfalfa, oat hay, pears, string beans, and vineyard crops were grown on the portion of the Waldteufel property located south of Lake Mendocino Drive between 1920 and 2001. While the sworn statement suggests that some farming occurred on the property from the early 1920's, it does not establish a reliable record for diversion of water, season of use, or acreage being served by crop type to quantify any continuous use of water. It also does not establish that water was available for use from the West Fork Russian River.
4. Mr. Lester Wood purchased a portion of the Waldteufel property in 1945. In 1967, Mr. Wood filed Statement of Water Diversion and Use (Statement) S000272 with the State Water Board consistent with the requirements of Water Code section 5100, et seq. Supplemental statements for Statement S000272 were also filed for the years 1970-72, 1979-81, 1985-87, and 2002-04¹. The amount of water that Mr. Wood or his son, Robert Wood, reported as being diverted and put to beneficial use ranged between 7.5 and 15 acre-feet per annum with a maximum, instantaneous diversion rate of 1.1 cfs (500 gallons per minute).
5. In January 1998, Thomas Hill and Steven Gomes purchased approximately 30 acres of the Waldteufel property located immediately south of Lake Mendocino Drive and adjacent to the West Fork Russian River² from the Robert Wood Living Trust. The Grant Deed covering this transaction indicates that all water rights and claims of title to water that may have been associated with the land were included in the sale by the grantors. The land purchased by Messrs. Hill and Gomes consists of the southeastern portion of the Waldteufel property and contains roughly 20% of the acreage originally described in the Waldteufel notice of proposed appropriation.
6. CreekBridge Homes L.P. (CreekBridge) bought about 85% of the property owned by Messrs. Hill and Gomes in 2001 and subsequently built 125 homes on the property. CreekBridge Homes filed Statement S015625 in 2001. According to information contained with this statement, CreekBridge not only purchased the property but also obtained "the reservation of the proportional water right for this property which was established and recorded prior to December 1914." The Division's records show that only the original statement was filed. No supplemental statements from CreekBridge are contained in the file for Statement S015625.

¹ - The 2002-04 supplemental statement was filed by Mr. Gomes and contains conflicting information. All of the others were filed by either Lester Wood or his son, Robert Wood.

² - This reach of the river is identified as the Russian River by the U.S. Geological Survey, but is often called the West Fork of the Russian River by locals. It will be referred to as the West Fork in this order.

7. Messrs. Hill and Gomes entered into a "License and Assignment of Water Rights Agreement" with Millview in May 2001. This agreement provides for the lease and option to purchase by Millview of the Waldteufel claim of pre-1914 appropriative right held by Messrs. Hill and Gomes. The recitals of this agreement include the following statement:

Licensors (Messrs. Hill and Gomes) is the owner of those certain water rights established by the claim of J.A. Waldteufel dated March 24, 1914, by which J.A. Waldteufel claimed the water flowing in the West Fork of the Russian River at the point of posting to the extent of 100 inches measured under a four inch pressure, (approximately 1450 acre foot), the purpose for such claim being for domestic and culinary purposes (the "Water Right"). (Underline added for emphasis.)

The agreement also reserves 125,000 gallons per day (gpd) to Messrs. Hill and Gomes. The effective period of the agreement is listed as being from October 15, 2002, until October 14, 2006. Division staff understands that the effective period of this agreement has been extended and is still in effect.

8. Lee Howard filed a complaint against Thomas Hill with the Division on March 6, 2006 regarding the diversion and use of water reported pursuant to Statement S000272. Mr. Howard alleges that :
- While the basis of right pursuant to Statement S000272 claimed by Messrs. Hill and Gomes is a pre-1914 appropriative claim, any basis of this particular type of right has been lost due to nonuse between 1914 and 2001.
 - The point of diversion for Statement S000272 has been moved downstream from a location on the West Fork of the Russian River to a location on the main stem Russian River.
9. By letter dated March 29, 2006, the Division requested that Messrs. Hill and Gomes, Millview, and CreekBridge respond to the complaint. Only Millview responded via a letter dated April 24, 2006 which contains the following pertinent points:
- Messrs. Hill and Gomes believe they are the legal owners of a pre-1914 appropriative right. Diversions made under this claim of right are reported via Statement S000272.
 - Water reported pursuant to a supplemental statement dated June 10, 2005 for the months of May through November under Statement S000272 occurred at Millview's point of diversion located immediately downstream of the confluence of the East and West Forks of the Russian River. This water was used to supply the 125 homes constructed on the property previously owned by Mr. Wood.
 - Millview understands that Messrs. Hill and Gomes, via the lease agreement, "granted, conveyed, and assigned all right, title and interest to the water right Statement S000272 to" Millview except for a collective reservation of 125,000 gpd to be applied equally to each of the 125 homes constructed by CreekBridge³.
 - CreekBridge diverted water under the claimed right from July 2001 through September 2002 pursuant to Statement S015625.
 - Millview currently supplies water to the place of use identified under Statements S000272 and S015625, which is completely within Millview's boundaries, during the months of May through November. Water service is supplied during the months of December through April pursuant to Millview's License 492 (Application 3601), Permit 13936 (Application 17587) and a water supply agreement with the Mendocino County Russian River Flood Control and Water Conservation Improvement District (MCRRFC&WCID).
 - Based on conversations between Millview's legal counsel and Robert Wood prior to his death, Millview believes that the pre-1914 claim of right was not forfeited due to non-use during Mr. Wood's ownership of the property.

³ - Apparently, 1,000 gpd was reserved from the portion of the right withheld by Messrs. Hill and Gomes for domestic purposes at each of the 125 homes built and sold by CreekBridge.

10. On August 30, 2006, Division staff conducted a field investigation regarding the Howard complaint. Staff met with Messrs. Hill and Gomes as well as Millview's General Manager and legal counsel. The property formerly owned by the Wood family was visited. During this visit, Division staff observed an old wooden crib inlet channel about two hundred feet below the Lake Mendocino Drive bridge on the west bank of the West Fork Russian River. Some piping was still in place. No diversion appeared to have occurred at this location in recent years. Mr. Gomes stated that some diversion of water to the Wood property for irrigation of crops including grapes continued from this point of diversion until the land was graded for houses in 2001. Flow in the river at this location was less than 1 cfs. Millview's point of diversion is located on the main stem Russian River about 2,000 feet downstream of the abandoned Wood point of diversion and about 600 feet below the confluence of the East and West Forks of the Russian River. Flows at this location consist of water coming from the West Fork of the Russian River combined with releases from Lake Mendocino. Flow in the river at this location was approximately 227 cfs.

11. At the conclusion of the complaint inspection, Messrs. Hill and Gomes and the General Manager and legal counsel for Millview, provided the following information in response to specific questions posed by Division staff:
 - Diversions to serve the 125 CreekBridge homes during the May to November period (i.e., the historic irrigation season on the former Wood property) are made pursuant to the pre-14 claim of right. Diversions during the December through April period are made under either Millview's post-1914 appropriative rights; i.e., License 492 (Application A003601) or Permit 13936 (Application A017587); or under the contract between Millview and the MCRRFC&WCID pursuant to Permit 012947B (Application A012919B).
 - All use reported under Statement S000272 or made pursuant to a pre-1914 appropriative claim of right initiated by E.L. Waldteufel since 2001 has occurred at the 125 CreekBridge homes.
 - Millview does not possess a deposition, declaration, or other written document regarding any testimony that may have been provided by Robert Wood or his predecessors in interest regarding the use of water pursuant to the Waldteufel pre-1914 appropriative claim of right while owned by the Wood family.
 - The 125,000 gpd allotment (that according to the letter in response to the Howard complaint by Millview dated April 24, 2006, was deeded to the 125 CreekBridge homes at 1,000 gpd each for a total of 125,000 gpd) has been transferred to Millview pursuant to the License and Assignment of Water Rights Agreement between Messrs. Hill and Gomes and Millview.

12. During the summer and early fall, flow at Millview's point of diversion is dominated by releases from Lake Mendocino. The U.S. Geological Survey (USGS) maintains a flow monitoring station (#11461000 – Russian River near Ukiah, CA) at the upstream end of the Wood property that provides a good accounting of the flows available for diversion pursuant to the Waldteufel pre-1914 appropriative claim of right. The USGS also maintains a flow monitoring station (#11462000 - East Fork Russian River near Ukiah, CA) immediately below the outlet of Lake Mendocino. The following tables identify the average, maximum, and minimum monthly flows over the period of record for both of these gages:

**USGS 11461000 Russian River Near Ukiah, CA (aka West Fork Russian River)
 Main Daily Discharge (cfs) for 59 years of record (1911-10-01 to 2008-09-30)**

Month	Avg	Max	Min
Oct	7.6	146.8	0.0
Nov	102	682.4	0.1
Dec	377	1,663.0	1.8
Jan	557	1,986.0	3.8
Feb	507	1,975.0	14
Mar	351	1,436.0	20
Apr	166	770.4	4.3
May	47	242.8	3.2
Jun	12	57.4	0.2
Jul	2.5	10.8	0.0
Aug	0.7	3.75	0.0
Sep	0.6	2.7	0.0

**USGS 11462000 East Fork Russian River near Ukiah, CA (below Coyote Dam)
 Main Daily Discharge (cfs) for 48 years of record (10/1/1959 to 9/30/2008)**

Month	Avg	Max	Min
Oct	225	419	42
Nov	231	635	13
Dec	341	1,175	7.0
Jan	604	1,905	21
Feb	595	1,934	18
Mar	411	1,780	13
Apr	317	1,026	53
May	230	577	76
Jun	215	361	104
Jul	247	336	179
Aug	255	388	163
Sep	242	416	93

This data indicates that the flow at the current Millview point of diversion is often well in excess of that available at the point of diversion used to divert water pursuant to the Waldteufel pre-1914 appropriative claim of right until 2001; especially during the late summer and early fall.

- The staff Report of Investigation prepared in response to the Howard complaint was sent to the parties on June 1, 2007. Staff concluded that the pre-1914 appropriative claim of right initiated by Mr. Waldteufel in December 1914 and transferred over time to the Woods, Messrs. Hill and Gomes, and Millview likely has a valid basis. However, the right has degraded to the point where the maximum authorized diversion is 15 acre-feet per annum at a maximum instantaneous rate not to exceed 500 gallons per minute or 1.1 cfs; or possibly less if the maximum rate of diversion since 2001 for a period of five (5) consecutive years has been less than this rate. Interested parties were provided an opportunity to submit additional evidence if they disagreed with the staff conclusions.

14. Three letters of comment were received but these letters contained no additional evidence that would change the staff recommendation. The complaint was closed via a letter dated April 17, 2008. The parties were informed that any diversion and use of water pursuant to the Waldteufel pre-1914 appropriative claim of right in excess of the staff finding would be considered an unauthorized diversion and a trespass against the State of California. However, as evidence was not available at that time to indicate that Millview's diversions exceeded those authorized by the combined rights available to Millview (i.e., the Waldteufel pre-1914 appropriative claim of right, License 492, Permit 13936 and the contract with the MCRRFC&WCID), no enforcement action was initiated.
15. Millview recently provided 402 pages of material in response to a Public Records Act (PRA) request issued by the State Water Board dated January 29, 2009⁴. The information contained in these pages document the diversion and use of water during the calendar years 2001 through 2008 by Millview pursuant to several claims of right. The use of water reported in these pages pursuant to the Waldteufel pre-1914 appropriative claim of right is as shown in the table below⁵:

Diversions Claimed Pursuant to the Waldteufel pre-1914 Appropriative Right in ac-ft

Month/Year	2001	2002	2003	2004	2005	2006	2007	2008
January	0.000	0.479	1.093	2.029	72.337	1.654	41.900	72.429
February	0.000	0.559	1.243	1.679	65.386	2.154	35.280	81.593
March	0.000	0.703	1.381	3.799	80.221	1.878	45.457	78.340
April	0.009	1.040	1.995	4.766	81.891	2.461	56.505	100.071
May	0.067	1.768	3.836	6.475	110.757	6.248	72.343	118.951
June	0.243	2.385	4.257	5.877	119.000	7.632	88.581	118.951
July	0.284	2.940	4.128	9.237	119.000	8.111	32.807	118.951
August	0.960	2.219	7.359	8.065	119.000	7.387	39.834	118.951
September	0.613	2.072	4.689	7.663	119.000	6.230	27.436	0.000
October	0.566	2.372	4.923	4.324	119.000	3.830	18.413	0.000
November	0.697	1.372	2.590	2.197	88.522	4.787	89.756	0.000
December	0.318	1.234	2.627	2.744	80.638	2.793	74.814	0.000
Total	3.76	19.14	40.12	58.86	1,174.75	55.167	623.12	808.23

16. Millview's reported average monthly rate of diversion pursuant to the Waldteufel pre-1914 appropriative claim of right exceeded the maximum authorized diversion rate under this claim of right (i.e., 1.1 cfs or less) 25% of the time during the 2001 to 2008 period. The annual limitation of 15 acre-feet per annum was exceeded in 7 of the 8 years or 88% of the time. In addition, Millview's average monthly rate of diversion under the Waldteufel pre-1914 appropriative claim of right at Millview's point of diversion located below the confluence of the East and West Forks of the Russian River, (which has higher flows due to the outflow from Lake Mendocino), exceeded the flows in the West Fork Russian River at the original point of diversion for the claimed right, over 22% of the time during the low flow period (June through November) between 2001 and 2008. Consequently, Millview was diverting water in excess of the amount authorized under the Waldteufel pre-1914 appropriative claim of right. However, it appears that the total amount of water diverted by Millview

⁴ - All of the documents contained in Millview's response to the PRA request are stamped with the following notation: "SWRCB Subpoena Response". These documents appear to have been prepared in response to a subpoena duces tecum issued to Millview by the Division on July 31, 2008, but were never sent until requested pursuant to the January 29, 2009 PRA request.

⁵ - There is a significant discrepancy between the numbers reported in the response to the PRA request and the numbers contained in the Progress Report by Permittee signed under penalty of perjury for Permit 13936 as well as a smaller, but still noticeable, difference between the numbers in the PRA request response and the use reported on the Reports of Licensee pursuant to License 492. Use reported under Permit 13936 in the Progress Reports for 2005 and 2007 is 740.75 and 403.04 acre-feet respectively. Use reported in the response to the PRA request under Permit 13936 for 2005 and 2007 is 0.00 and 340.06 acre-feet respectively.

during this same period did not exceed the total amount authorized pursuant to the combined rights available to Millview (i.e., Waldteufel pre-1914 appropriative claim of right, License 492, Permit 13936, and the contract with the MCRRFC&WCID). Therefore, unauthorized diversion apparently has not as yet occurred. However, if Millview's diversions continue to expand and Millview continues to divert water in excess of that authorized pursuant to the Waldteufel pre-1914 appropriative claim of right, unauthorized diversion will occur at some point in the near future. Consequently, a threat of unauthorized diversion exists.

IT IS HEREBY ORDERED, pursuant to sections 1831 through 1836 of the Water Code, that Messrs. Hill and Gomes and Millview take the following actions to prevent a threatened unauthorized diversion as set forth in section 1052 of the California Water Code:

1. Restrict all diversions from the Russian River, its tributaries or underflow, or a subterranean stream associated with the Russian River valley pursuant to the Waldteufel pre-1914 appropriative claim of right to:
 - an instantaneous rate of 1.1 cfs;
 - an annual amount of 15 acre-feet; and
 - a rate no greater than the rate of flow available from the West Fork Russian River as measured at the USGS gage #11461000 (Russian River Near Ukiah, CA).
2. Maintain a record of all diversions of water on a daily basis. This record shall identify the amount of water diverted each day at Millview's points of diversion and the basis of right utilized to justify the diversion of water including, but not limited to:
 - a. the Waldteufel pre-1914 appropriative claim of right (as reported under Statements S000272 and S015625 or any other reporting document);
 - b. License 492 (Application A003601);
 - c. Permit 13936 (Application A017587); and
 - d. the contract with the MCRRFC&WCID pursuant to Permit 012947B (Application A012919B).

The record shall also identify any water wheeled for other entities (e.g., Calpella County Water District, the City of Ukiah, etc.) pursuant to a valid basis of right. This record shall be updated at least weekly and made available for inspection on the next business day after receipt of a written request from any interested party. A copy of the annual record for each calendar year shall be submitted to the following address no later than February 1st of each year:

Division of Water Rights
Attention Program Manager, Enforcement Section
P.O. Box 2000
Sacramento, CA 95812-2000

An electronic copy shall be submitted to a specified e-mail address if so directed in writing by the Deputy Director for Water Rights.

In the event that Messrs. Hill and Gomes or Millview fail to comply with the requirements, Messrs. Hill and Gomes or Millview shall be in violation of this CDO and subject to administrative civil liability and further enforcement actions as described below:

Failure of any person to comply with a CDO issued by the State Water Board pursuant to this chapter may subject that person to further enforcement action, including assessment of civil liability of up to one thousand dollars a day and referral to the Attorney General for the issuance of prohibitory or mandatory injunctive relief as appropriate, including a temporary restraining order, preliminary injunction, or permanent injunction. (Wat. Code, § 1845, subd. (a).)

STATE WATER RESOURCES CONTROL BOARD

*James W. Kassel, Assistant Deputy Director
Division of Water Rights*

Dated: